From: rhad@rhad-linux@inetgw

**To:** Microsoft ATR **Date:** 1/25/02 6:50pm

**Subject:** comment on MS settlement

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## FROM:

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TO:

Renata B. Hesse Antitrust Division U.S. Department of Justice 601 D Street NW Suite 1200 Washington, DC 20530-0001

To the United States Department of Justice:

I am writing in response to the proposed settlement to the Microsoft Antitrust Case.\_ This matter has become quite important to me in the past several years as a student at the University of Houston, and an active computer user and enthusiast.\_ Within this letter I will first explain why Microsoft must be punished more severely than the settlement proposes.\_ Then I will outline what I consider to be a more fitting settlement.

The Problem with Microsoft

The primary reason that I believe in punishing Microsoft more severely revolves round their blatantly unfair actions in an extremely competitive market.\_ For instance, I can easily cite their purely anti-competitive deals with OEM computer manufacturers, or the obvious bundling of Internet Explorer with the OS purely to dominate the browser market. However, my primary concern tends to lie not with these problems as much as their unwillingness to adapt to current computer standards and open up their most common APIs and document formats.\_ It is obvious that Microsoft totally dominates the computer industry.\_ Through this dominance, its document formats (.doc, .xls, .ppt etc.) have become increasingly used throughout the corporate and personal world.\_ However, Microsoft won?t let anyone else play.\_ The formats utilized by these programs are unreleased and a closely guarded trade secret. More importantly, Microsoft has released more and more of their communications protocols to the Internet world without supplying sufficient data to let other systems communicate with them. They blatantly ignore current standards and introduce intentional bastardizations solely to leverage their monopoly further.\_ For instance, Internet Explorer contains intentional problems with properly reading and displaying normal HTML as defined in various standards papers. However, rather than being held responsible for this ?bug?, Microsoft implied that the web sites were responsible instead. As the public became further and further entrenched in Internet Explorer (via the OEM deals and bundling aforementioned) web designers were forced to ?correct? their good code to display properly on Internet Explorer, leaving people not using Internet Explorer wondering why all of the sudden their standards-conforming browsers no longer worked.

There are hundreds of other examples like that one, many of them much more important.\_\_ Specifically, with the possible emergence of Microsoft?s .NET plan, normal operation under the web, already heavily drugged by Microsoft, would become almost inherently Microsoft based.\_ The way I read it, .NET creates a one-time access point for all web communication.\_ You login a .NET server, and then grab the appropriate information to complete online

transactions, downloads, password completion, maybe even web-site access.\_ Does anyone honestly think such unbelievable control would be used fairly by Microsoft?\_ Does anyone even think that a different operating system would be allowed to login without deliberate loss of functionality, if it could login at all?

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In summary, Microsoft has abused its monopoly and stifled competition via three prime methods:

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- 1) OEM deals which lock out the competition.
- 2) Increased bundling of their products with the Windows OS.
- 3) Releasing file formats, APIs, and communication protocols in proprietary formats.

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The Ideal Solution

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Contrary to a large majority of people like me, I do not believe that breaking up the company would result in any productive fix for the Microsoft monopoly. Rather, I would stress that there are two things that must happen.

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- 1) Microsoft must stop making deals with OEM vendors that disallow competition, or punishing those vendors that refuse to capitulate via increased fees or withholdings.
- 2) Microsoft must release its most common formats, communication protocols and APIs to the public.

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With regards to 1), the DOJ settlement has outlined a good set of regulations except the restriction that non-MS middleware must either not display a user interface or should display a user interface similar to the corresponding MS product. This forces competing software vendors to imitate Microsoft's lead in these product lines. To the user then, it seems that Microsoft is the only innovator and the other vendors are merely copying. There should be no restrictions on competing middleware products. The desktop configuration should be entirely up to the OEM.

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However, objective 2) is addressed by the settlement but fails in a huge way.

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Ideally I hope to see after the settlement this type of scenario:

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Jon Doe is not a rich man, but he is not poor either. He desires to buy a computer for his family, and so he heads to the store. His first option is a computer with the Microsoft Windows OS. Jon is familiar with it, as he has used it before at his workplace, but he was unaware of the cost, which is much more than he can afford. Upon a closer examination, he realizes that the Windows computer forces you to buy many other bundled pieces of software as well; an office suite, a firewall, a CD-burning program, a paint program, and

more.\_ Reading a little more, Jon also discovers that he cannot install any of the programs on another machine in his house because he is only ?renting? the software, and must pay Microsoft again in order to use it again.\_ Uncomfortable with such limited control over what he pays for, Jon moves further down the aisle to the Linux computer section, which has lower prices.\_ You can buy either a stripped down low cost version, or an intensely modified and software heavy version.\_ Better yet, the cost for the software is next to free, and it can be reinstalled as much as you want.\_ Here is the kicker for Jon:\_ And it will fully support standard Windows formats and protocols to ensure proper communication in a Windows network.\_ Jon could also look at the Apple section; it too states full computability with the common Windows machines found on the Internet.

What I wrote above cannot happen today since the computer and Internet world has been enveloped in Microsoft products. No competition can truly occur until it does happen.\_ Obviously, if these formats and protocols were opened, Microsoft would be forced to lower their prices (finally), and perhaps even offer computer manufacturers a less-bundled operating system. This is the key. Microsoft in my mind can bundle as much as they want. It drives the price up, and increases complexity.\_ However, if the competition can compete in a Microsoft dominated Internet and computer world, the lower costs and increased options will force Microsoft to adapt in ways that benefit the consumer.\_ In other words, Microsoft can certainly attempt to sell as much as they want. No one can deny that their products are useful and, while lacking stability and security, are fairly user-friendly.\_ At the moment though, Microsoft has managed to become the only option. They no longer have to price competitively, or market their products based on performance. They have managed to make alternatives intentionally less functional from a Windows perspective.\_ It is the car equivalent of Microsoft supplying cars that run best on their own proprietary gasoline. Once they achieve some market dominance, carmakers and gasoline manufactures are suddenly in deep trouble when it comes to breaking into the market.\_ I believe that it is these proprietary formats and protocols that are really to blame in Microsoft?s monopoly abuse. \_ In order to promote fair competition, these must be made open, and not just to some select groups as the settlement foolishly states. Open to the General Public.\_ The people forced to maintain Microsoft products, and use their software are not just these select vendors and groups.\_ More importantly, these binary formats and protocols cannot be seen as intellectual property since Microsoft has managed to become such a dominant player. They are now the de facto standard.

There are many other things about the settlement I think could be made more friendly to the computer industry and software professionals Microsoft has continually abused. However, I truly feel that the majority of these discrepancies are unimportant when compared to the necessity of opening the Microsoft APIs, file formats, and communication protocols. This freedom to expand on the now (albeit unlawfully) standard Microsoft product-line will allow the industry as a whole to slowly catch-up to Microsoft in the computing sector. This competition and increased innovation will naturally spur Microsoft to better products as well, all benefiting the consumer. And that is the goal right?

To benefit the consumer.

Sincerely, Hanskarl Borck E-Mail: rhad <hborck@mail.uh.edu> Date: 25-Jan-02 Time: 17:54:36

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